



*United States Attorney  
Southern District of New York*

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**TAX PREPARER PLEADS GUILTY TO FEDERAL CHARGES  
INVOLVING A MILLION-DOLLAR BOGUS REFUND SCAM**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that MIRIAM TORRES pled guilty today in Manhattan federal court to five counts of preparing false federal income tax returns for customers of her tax preparation business, Miriam Torres, CPA, in Staten Island.

According to the Indictment and statements she made during her guilty plea, TORRES fraudulently prepared approximately 561 federal income tax returns for customers by falsely reporting income they did not receive, in order to claim earned income tax credit and generate a refund to which they were not entitled.

Earned income tax credit ("EITC") was a federal program extending income tax credit to lower-income workers based upon factors such as the amount of their earned income, the number of their dependent children, and their filing status as single, married, or head of household. To generate fraudulent income tax

refunds, TORRES falsely claimed refunds based on EITC on income tax returns she prepared for her clients whose chief or sole source of income was public assistance, when TORRES well knew that those clients did not receive earned income sufficient to require them to file income tax returns, did not qualify for EITC, and were therefore ineligible to claim tax refunds based on EITC claims.

The total bogus refunds claimed in the federal returns TORRES prepared amounted to approximately \$1,025,000, she admitted during her guilty plea. In addition, TORRES admitted preparing fraudulent state and local income tax returns for her customers at the same time she was preparing their federal returns

United States District Judge LAURA TAYLOR SWAIN set sentencing for April 2, 2004, at which time TORRES faces a maximum sentence of five years in prison and a \$250,000 fine on each of the five counts.

TORRES is 56 and live on Staten Island, New York, according to court records.

Mr. COMEY praised the investigative efforts of the Internal Revenue Service, Criminal Investigation Division.

Assistant United States Attorney PETER B. SOBOL is in charge of the prosecution.